

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Health

Health Regulation and Licensing Administration



**Medical Marijuana Program
Cultivation Center Initial Application**

**IMPORTANT NOTICE OF CHANGES TO THE APPLICATION
REQUIREMENTS:**

Please be advised that some of the application requirements have changed. The revised version of these regulations will be published on **Friday, August 12, 2011** in the D.C. Register and will also be available on the Department's website on that date. This version of the regulations sets the standards that each application must fully comply with. You will not be allowed to amend, add to, correct, revise, or supplement your application after it has been submitted. Therefore, each applicant is strongly encouraged to read the revised regulations carefully before submitting an application.

I. INTRODUCTION

The Mayor, pursuant to section 14 of the Legalization of Marijuana for Medical Treatment Initiative of 1999 (Act), effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code §§ 7-1671.01, *et. seq.*), and Title 22 of the District of Columbia Municipal Regulations (DCMR) that adds a new subtitle C entitled "Medical Marijuana." hereby gives notice and announces that it will begin accepting applications for operation of up to ten (10) medical marijuana cultivation centers on August 15, 2011. The application period will terminate on September 16, 2011 at 12 noon EST. The Department may approve up to ten (10) applications for operation of a medical marijuana cultivation center. It should also be noted that the Department reserves the right to deny any and all applications consistent with its duly established statutory and regulatory authority.

II. APPLICATION SUBMISSION AND REVIEW SCHEDULE

| <u>DATE</u> | <u>ACTION</u> |
|--------------------|---|
| August 5, 2011 | Notice of Call for Applications for Cultivation Centers |
| August 15, 2011 | Applications accepted at Health Regulation Licensing Administration |
| August 26, 2011 | Last day to submit questions about the Application process |
| September 30, 2011 | Applications due at Health Regulation Licensing Administration, Department of Health by 12 noon EST |
| November 28, 2011 | Panel completes initial review |
| November 29, 2011 | Notice to ANC Notice to Applicants Sites placarded |
| January 3, 2011 | Comments from ANCs due to Department of Health by 12 noon EST |
| January 17, 2012 | Panel recommendations forwarded to Director |
| January 31, 2012 | Department of Health announces applicants eligible for registration |

III. APPLICATION

Electronic copies of the application and the regulations related to the Medical Marijuana Program [22 DCMR Subtitle C] may be obtained from the Department of Health Medical Marijuana Program website: www.hrla.doh.dc.gov/mmp. The 4th Proposed and Emergency Regulations for the Medical Marijuana Program will be published on Friday, August 12, 2011 in the DC Register. **Applicants are STRONGLY URGED to read the regulations in their entirety prior to submitting an application.**

The application materials shall include responses to each of the questions specified in this application package.

The application and required schedules shall be typed legibly [preferably in 12-point font]. All applications shall be submitted to the District of Columbia Health Regulation and Licensing Administration Department of Health 899 North Capitol Street, NE 2nd Floor Washington, DC 20002, Attn: Patricia M. D'Antonio.

Each applicant shall file ten (10) printed copies and one electronic (PDF) copy of all application materials, accompanied by the application fee in the amount of five thousand dollars (\$5,000), made payable to the **DC Treasurer**. Please note that two thousand five hundred dollars (\$2,500.00) of the application fee shall be non-refundable.

All costs involved in preparation and submission of an application shall be the responsibility of the applicant. The Department shall not be responsible for any costs incurred by an applicant in preparation or submission of an application.

Applicants should **e-mail** all **written** questions or requests for clarification regarding this announcement or the application process to doh.mmp@dc.gov with “**MMP-CC Question**” in the subject line. Questions and responses will be posted on the Department’s Medical Marijuana Program website: www.hrla.doh.dc.gov/mmp. Questions will not be answered on an individual basis. Applicants should also monitor the Department’s Medical Marijuana Program [website](#) for questions/responses and other addenda to this announcement. Questions received after August 26, 2011 may not be answered. **Phone inquiries will not be accepted.**

The deadline for receipt of application materials filed in response to this announcement is 12 noon ET on September 30, 2011. The Director shall not permit any applicant for a cultivation center to make any additions, changes, alterations, amendments, modifications, corrections, or deletions to the application package once it has been submitted to the Department.

IV. REVIEW AND EVALUATION CRITERIA

A. Completeness Review

As defined in the regulations, the failure by an applicant to address all of the required criteria and measures will result in the application being considered non-responsive and not accepted for review by the panel.

B. Application Review and Evaluation Criteria

A panel shall be convened to evaluate and score each application. Each panel member shall score each application as defined in the regulations. The panel shall set forth through consensus comments the basis of the scoring decision for each criterion.

V. APPLICATION QUESTIONS FOR CULTIVATION CENTERS

Question 1: Please provide the following:

For individual owners:

- a. Trade name of the business and copy of the trade name registration from the Department of Consumer and Regulatory Affairs
- b. Name and address of the individual (no P.O. Boxes will be accepted)
- c. Date of birth of the individual

For partnership or limited liability company:

- a. Legal name of the business or, if the business will be using a trade name other than it's legal name, a copy of the trade name registration from the Department of Consumer and Regulatory Affairs
- b. Names and addresses of each member of the partnership or limited liability company
- c. Date of birth of each member of the partnership or limited liability company
- d. Certificate of Good Standing for the partnership or limited liability company issued by the Department of Consumer and Regulatory Affairs within 30 days of the application's submission

For corporate applicants:

- a. Legal name of the business or, if the business will be using a trade name other than it's legal name, a copy of the trade name registration from the Department of Consumer and Regulatory Affairs
- b. Certificate of Good Standing for the corporation from the Department of Consumer and Regulatory Affairs issued within 30 days of the application's submission Place of Incorporation
- c. Principal place of business
- d. Names and addresses of each of the corporation's principal officers, directors, and shareholders holding, directly or beneficially, one percent (1%) or more of its common stock articles of incorporation and bylaws of the for corporate. Date of birth of each of the corporation's principal officers, directors, and shareholders defined above in (e)

Prior to the issuance of a registration, the applicant must obtain a Basic Business License from the Department of Consumer and Regulatory Affairs with a General Business license endorsement. Supporting documents should be included as Appendix A. **[No points assigned]**

Question 2: Please provide the proposed physical address of the cultivation center. In the case of new construction, provide the lot and square numbers of the ground upon which the establishment will be located. Provide the size and design of the cultivation center. Provide the specific location of the cultivation center in the

proposed physical address. Provide the proposed date on which the applicant plans to open the establishment.

Supporting documents should be included as Appendix B. **[No points assigned]**

Question 3: Please provide evidence of compliance with the zoning requirements in Section 5201 of the Notice of Emergency and Fourth Proposed Rulemaking published in the *D.C. Register* on August 12, 2011, for the proposed physical address to be utilized as a cultivation center. You must also provide a certified surveyor's report setting forth the proximity of the cultivation center to the nearest public or private, preschool, primary or secondary school or recreation center, and the name of the school or recreation center.

Supporting documents should be included as Appendix C. **[No points assigned]**

Question 4: Please provide a detailed description of the nature of the proposed operation.

Supporting documents should be included as Appendix D. **[No points assigned]**

Question 5: Are any of the applicants licensed physicians? If yes, please provide a signed and notarized **Physician Affidavit Form**, which may be found on the application [website](#), attesting to the fact that the licensed physician understands that he or she will be prohibited from making recommendations for medical marijuana.

Supporting documents for Question 5 should be included as Appendix E. **[No points assigned]**

Question 6: Please provide documentation regarding the **Suitability of the Proposed Facility (Up to fifty (50) points)**.

Supporting documents for Question 6 should be included as Appendix F.

- (A) Measure 1: The applicant demonstrates that the proposed facility is suitable for organic gardening for the cultivation of medical marijuana, sufficient in size, power allocation, air exchange and air flow, interior layout, lighting, and sufficient both in the interior and exterior to handle the bulk agricultural manufacturing of medical marijuana, product handling, storage, trimming, packaging and shipping. (up to twenty-five (25) points)
- (B) Measure 2: The applicant demonstrates the ability to continue to meet qualifying patient demand by expanding the cultivation facility in a quick and efficient manner with minimal impact on the environment and the surrounding community. (up to twenty-five (25) points)

Question 7: Please provide documentation outlining the applicants **Proposed Staffing Plan**

and Knowledge of District and federal law and regulation relating to marijuana (Up to twenty (20) points).

Supporting documents for Question 7 should be included as Appendix G.

- (A) Measure 1: The applicant fully describes a staffing plan that will provide and ensure adequate staffing and experience for all accessible business hours, safe growing and cultivation, adequate security and theft prevention, and the maintenance of confidential information. (up to ten (10) points)
- (B) Measure 2: The applicant shall provide an operations manual that demonstrates compliance with the District's medical marijuana rules. The operations manual shall also contain information regarding the applicant's knowledge of federal law relating to medical marijuana. The applicant shall also submit a notarized copy of the **Cultivation Center Acknowledgement and Attestation Form** provided on the application [website](#) indicating that they have read the Act and this title and have knowledge of District and federal law relating to marijuana. (up to ten (10) points)

Question 8: Please provide documentation outlining the applicant's **Security Plan (Up to fifty (50) points)**. Supporting documents for Question 8 should be included as Appendix H.

The applicant shall submit a security plan which shall include:

- (A) Measure 1: The applicant's security plan demonstrates its ability to prevent the theft or diversion of medical marijuana and how the plan will assist with MPD and Department enforcement. Specifically, it shall evidence compliance with all items in § 5406.2 and § 5610, and include all submittals required under that section. (up to thirty (30) points)
- (B) Measure 2: The applicant demonstrates that its plan for record keeping, tracking and monitoring inventory, quality control and security and other policies and procedures will discourage unlawful activity. It also describes the applicant's plan to coordinate with and dispose of unused or surplus medical marijuana with MPD. (up to five (5) points)
- (C) Measure 3: The applicant's security plan shall describe the enclosed, locked facility that will be used to secure or store medical marijuana, including when the location is closed for business, and its security measures, and the steps taken to ensure that medical marijuana is not visible to the public. (up to ten (10) points)
- (D) Measure 4: The applicant shall describe its transportation plan regarding

how the cultivation center intends to safely and securely deliver medical marijuana to registered dispensaries. (up to five (5) points)

- (E) An applicant for a cultivation center shall file a written security plan with the Department. The written security plan shall address, at a minimum, the following elements:
- (a) Evidence that the space will comply with all security system requirements set forth in § 5610 of this subtitle;
 - (b) A site plan showing the entire structure the cultivation center is housed in, including the street(s), parking lot(s), other tenants within the facility, and any other entities that physically border the cultivation center;
 - (c) A floor plan of the cultivation center detailing the location of the following:
 - (1) All entrances and exits to the cultivation center;
 - (2) The location of any windows, skylights, and roof hatches;
 - (3) The location of all cameras, and their field of view;
 - (4) The location of all alarm inputs (door contacts, motion detectors, duress/hold up devices) and alarm sirens;
 - (5) The location of the digital video recorder and alarm control panel; and
 - (6) Restricted and public areas.
 - (d) The type of security training provided for, and completed by, establishment personnel, including:
 - (1) Conflict resolution training and other security training to be provided to staff; and
 - (2) Procedures for handling violent incidents, other emergencies, and calling the Metropolitan Police Department;
 - (e) The establishment's procedures for documenting medical marijuana transactions;

- (f) The establishment's procedures for preventing unregistered businesses from purchasing medical marijuana;
- (g) How the applicant intends to use and maintain an incident log;
- (h) The establishment's procedures for preventing the use of medical marijuana on the registered premises;
- (i) The number and location of cameras used by the establishment;
- (j) Security measures taken by the applicant to prevent individuals from entering the limited access area portion of the registered premises;
- (k) The applicant's closing procedures after the cessation of business each day;
- (l) The applicant's plan to prevent theft or the diversion of medical marijuana, including maintaining all medical marijuana in a secure, locked room that is accessible only to authorized persons;
- (m) The type of alarm system and outdoor lighting to be used by the applicant; and
- (n) The applicant's transportation plan for delivering medical marijuana from the cultivation center to dispensaries.

Question 9: Please provide documentation outlining the applicants **Cultivation Plan (Up to thirty (30) points)**. Supporting documents for Question 9 should be included as Appendix I.

- (A) Measure 1: The applicant shall describe its plan to provide a steady supply of medical marijuana to registered dispensaries. (up to ten (10) points)
- (B) Measure 2: The applicant demonstrates knowledge of organic growing methods to be used in the growing and cultivation of marijuana. The applicant shall describe the various strains to be cultivated. (up to ten (10) points)
- (C) Measure 3: The applicant demonstrates the steps that will be taken to ensure the quality of the marijuana, including the purity and consistency of the medical marijuana to be provided to dispensaries. (up to ten (10) points)
- (D) Measure 4: Provide information that covers where the medical marijuana will be cultivated and stored. (no points assigned)

Question 10: Please provide documentation outlining the applicant's **Product Safety and Labeling Plan (Up to thirty (30) points)**. Supporting documents for Question 10 should be included as Appendix J.

- (A) Measure 1: The applicant shall describe its plan for providing safe and accurate packaging and labeling of medical marijuana. (up to fifteen (15) points)
- (B) Measure 2: The applicant shall describe its plan for testing medical marijuana and ensuring that all medical marijuana is free of contaminants. (up to fifteen (15) points)

Question 11: Please provide documentation outlining the applicant's **Business Plan and Services to be Offered (Up to twenty (20) points)**. Supporting documents for Question 11 should be included as Appendix K.

- (A) Measure 1: The applicant shall provide a business plan that describes how the cultivation center will operate on a long-term basis. This shall include the applicant providing a detailed description about the amount and source of the equity and debt commitment for the proposed cultivation center that demonstrates the immediate and long-term financial feasibility of the proposed financing plan, the relative availability of funds for capital and operating needs, and the financial capability to undertake the project. (up to five (5) points)

- (B) Measure 2: The applicant or its directors, officers, members, or incorporators demonstrates experience in business management and/or having medical industry or horticulturalist experience. (up to ten (10) points)
- (C) Measure 3: The business plan demonstrates a start-up timetable which provides an estimated time from registration of the cultivation center to full operation, and the assumptions used for the basis of those estimates. (up to five (5) points)

Question 12: BONUS. Please provide documentation outlining the applicant's **Environmental Plan (Up to twenty (20) bonus points)**. Supporting documents for Question 12 should be included as Appendix L.

- (A) Measure 1: The applicant demonstrates an environmental plan of action to minimize the carbon footprint, environmental impact, and resource needs for the production of medical marijuana. (up to ten (10) bonus points)
- (B) The applicant describes any plans for: (1) the use of alternative energy; (2) the treatment of waste water and runoff; (3) scrubbing or treatment of exchanged air; and (4) the co-location of growing facilities and/or the means of packaging or production. (Up to ten (10) bonus points)

Question 13: Please provide a valid zoning determination letter from the Department of Consumer and Regulatory Affairs' Zoning Administrator for the premises in which the cultivation center registration is sought is located. An applicant, prior to issuance by DCRA of a certificate of occupancy for the building in which the registered premises shall be located, shall provide the following:

- a. Evidence that the applicant has entered into a bona fide agreement with the owner of a building proposed to be constructed or remodeled;
- b. Evidence that under the bona fide agreement, the applicant has agreed to lease, purchase, or otherwise occupy all or a portion of the building for the applicant's use in carrying on the business of a cultivation center;
- c. Evidence that the agreement provides that so much of the proposed building to be occupied for business purposes registered under the regulations is to be constructed or remodeled in accordance with specifications set forth in the agreement;
- d. Evidence that the agreement describes the quarters as reasonably adequate and appropriate for the business to be carried on under the authority of the registration; and

- e. A zoning determination letter issued by the Department of Consumer and Regulatory Affairs.

Supporting documents for Question 13 should be included as Appendix M.

Question 14: Please provide a written and detailed plan for closure of the cultivation center.

Supporting documents for Question 14 should be included as Appendix N.

Question 15: Please provide the source of funds used to acquire or develop the business for the cultivation center.

An applicant shall provide independent documentation concerning the source of such funds and copies of closing documents in connection with the purchase of a registered business upon request of the Department.

Supporting documents for Question 15 should be included as Appendix O.

Question 16: Provide a signed and notarized Cultivation Center Acknowledgement and Attestation Form provided on the application [website](#).

Supporting documents for Question 16 should be included as Appendix P.